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cc: John Blake
Wayne Hedberg

**DIVISION OF OIL GAS & MINING
FIELD VISIT FORM
TECHNICAL**

Date : 8 and 9 October, 1998

Time: NA

Mines: Rockland humate mine and Clark #1 and Cowboy leases in Emery Co.; Dick Shumway's Sunray Mineral Products property in Wayne Co.

File Number: NA

DOGM Staff: Jim SMITH, Tony GALLEGOS

Other Attendees: John BLAKE, SITLA; Dick SHUMWAY, Sunray Mineral Products

Purposes:

1. To determine if the material Sunray Mineral Products wants to mine in Wayne County is humate material similar to that being mined in Emery County and regulated under UDOGM's Minerals program, or coal.
2. To determine if material Sunray Mineral Products wants to mine is covered by the SITLA clay lease or if a coal lease is needed.
3. To determine if the Sunray Mineral Products operation will be regulated under UDOGM's Minerals program or Coal program.

Observations:

I. Emery County

A. The Rockland Corporation mine, on SITLA property, was the only active humate mining operation visited.

1. It is mined under a clay lease from SITLA and regulated by UDOGM's Minerals section.

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2. There is a small amount of coal being mined coincidentally with mining of the humate material and carbonaceous shale.
 - a. The stratigraphic sequence exposed in the face-up west of the Rockland mine portal consists of:
 - I. A thin (<1 foot) bed of black, clean coal occurs at the top of mined sequence exposed in the face-up west of the portal.
 - a. This coal thins to the east and is not seen in the face-up at the portal area.
 - b. The upper and lower contacts are abrupt.
 - ii. The shale between this coal and the underlying shaley coal thins to the east and is also gone at the portal.
 - iii. Shaley, dirty coal is exposed at the bottom of the cut.
 - a. The contact between the shale and shaley coal is gradational.
 - b. The shale and shaley coal contain gypsum crystals and yellow stain.
 - b. The sequence exposed at the portal and that is mined, approximately 8 feet thick, consists of:
 - I. Approximately 1 foot of shaley coal with gypsum crystals and yellow stain from sulfur or iron;
 - ii. Approximately 1 foot of black, weathered coal, that grades down into;
 - iii. Approximately 6 feet of carbonaceous shale, with gypsum crystals and yellow stain.
 - c. A massive, cross-bedded sandstone with an abrupt lower contact overlies the coal and shale sequence at both locations.
3. A market exists for the humate material for non-fuel uses.
 - a. In the town of Emery, Rockland processes the humate and carbonaceous shale into soil conditioner and an ingredient for dietary mineral supplements.
 - b. It is both the humate and other minerals that make this material commercially valuable as a dietary supplement.
 - I. Gypsum crystals are very evident.
 - ii. Streaks of shale are stained yellow from iron or sulfur.

B. Other Emery County sites.

1. Two other sites on SITLA property, on which persons hold clay or mineral leases, were visited: the Clark #1 and Cowboy Mines.
 - a. There is no current mining activity but there is evidence of past mining, apparently for coal, but economic viability is not known.
 - b. There has been some reclamation work by the Utah AML program.
2. There are other active humate mines in the area operated by T. J. Clark and other members of the Clark family, which were not visited.
 - a. These are located on BLM land and regulated under UDOGM's Minerals program.
 - b. These have not been mined for coal as far as is known.

II. Wayne County.

- A. The abandoned coal pit is on SITLA land.
 - 1. Coal was mined under interim coal mining rules in the late 1970's.
 - 2. The coal couldn't meet quality stipulations of a contract with Nevada Power.
 - a. There are two seams; the upper is dirty, carbonaceous coal or coaly shale, approximately 5 feet thick, the top lying approximately 10 feet below the surface.
 - b. The lower seam, lying approximately 25 to 30 feet below the surface, is reported to be a cleaner, higher quality coal.
 - c. This lower seam has been covered, so it could not be seen during this field visit.
 - d. John Blake stated that the product sent to Nevada Power was a blend of the two seams.
 - 3. The mine operation went bankrupt, and the mine was reclaimed by the State using forfeited bond monies.
 - a. There was only enough money to reclaim the surface facilities outside the mine pit.
 - b. The pit remains unreclaimed.
 - 4. Dick Shumway obtained the coal lease from SITLA with the intent of mining the humate, but he couldn't get an exemption from coal mining rules.
 - 5. The coal lease was surrendered and a clay lease was obtained by Dick Shumway and a partner, Kenneth Westwood.
 - 6. Because of disagreements, Shumway and Westwood split the lease, Shumway taking the sw/4 and Westwood taking the remainder of the lease, including the abandoned pit.
 - a. Dick Shumway is no longer involved with the abandoned pit.
 - b. SITLA recently ordered mining in the pit stopped because Westwood was taking, from the upper seam, what had previously been considered to be coal, rather than humate.
 - c. The seam that Westwood was mining in the pit has been covered in compliance with a SITLA order.
- B. Sunray Mineral Products property.
 - 1. The Sunray Mineral Products lease in the sw/4 of the SITLA property has no surface or subsurface disturbance; there are no exploration cuts but there are a few natural exposures.
 - a. Judging from what can be seen, the material Dick Shumway intends to mine is similar to the humate being mined in Emery County: weathered carbonaceous shale with yellow stain and gypsum crystals, and thin seams of weathered, dirty coal.
 - b. Dick Shumway believes there is a fault between the pit and his property, so that the material he intends to mine is the same as the upper seam in the pit. The presence or absence of this fault and the stratigraphic relationship between the two areas are not critical factors.
 - c. Dick Shumway's present intent is to mine the "upper seam"; there is a "lower seam" stratigraphically similar to the lower seam in the abandoned pit but

that appears to be humate rather than unweathered coal.

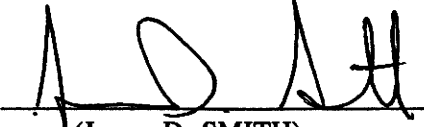
2. Humate is evident at the surface over a large area in strata exposed alongside the road to the SITLA property, on BLM property.
 - a. There is a humate exploration site nearby on BLM land that is permitted by UDOGM's Minerals program.
 - b. The BLM manages humate on Federal lands as a saleable mineral, similar to sand and gravel, clay, and vegetal material, not as a leasable mineral such as coal.

Conclusions:

1. The material that Sunray Mineral Products wants to mine in Wayne County is the same as or very similar to the humate and carbonaceous shale mined in Emery County under permits from UDOGM's Minerals program.
2. Mining of this property under a clay lease from SITLA, rather than a coal lease, would be consistent with similar operations on SITLA and BLM lands in Emery and Wayne Counties.
3. The Sunray Mineral Products operation should be administered under UDOGM's Minerals program, rather than under the Coal program:

Recommendations:

Permit the Sunray Mineral Products operation as a clay mine under the Minerals program.

Signature:  . Reclamation Specialist, October 21, 1998
(James D. SMITH)

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